

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

NOTICE OF MARKET-DOMINANT
PRICE ADJUSTMENT

Docket No. R2017-1

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO CHAIRMAN'S INFORMATION REQUEST NO. 8**
(November 4, 2016)

The Postal Service hereby files its response to Chairman's Information Request No. 8, issued on November 1, 2016. The questions are stated verbatim and are followed by the Postal Service's responses.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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November 4, 2016

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1. Please refer to Library Reference USPS-LR-R2017-1/2, Excel File: "CAPCALC-STD-R2017-1 rev 10-28.xlsx," tabs: "L-F-P New Prices."
 - a. Please confirm the breakpoint prices (per-piece price + (per-pound price / 16 ounces * 4 ounces)) for the following nonprofit Flats pound-rated pieces:
 - i. Automation Mixed ADC DNDC Dropship: \$0.366;
 - ii. Automation ADC DNDC Dropship: \$0.349;
 - iii. Automation 3-digit DNDC Dropship: \$0.294;
 - iv. Automation 5-digit DNDC Dropship: \$0.203;
 - v. Automation ADC DSCF Dropship: \$0.337;
 - vi. Automation 3-digit DSCF Dropship: \$0.282;
 - vii. Automation 5-digit DSCF Dropship: \$0.191.
 - b. If subpart a is confirmed, please also confirm that each of these breakpoint prices is \$0.001 less than its respective per-piece price. If not confirmed, please provide a comparison of the listed breakpoint prices and per-piece prices.
 - c. If subpart b is confirmed, please revise Library Reference USPS-LR-R2017-1/2 to ensure breakpoint prices equal their respective per-piece prices.

RESPONSE:

- a. Confirmed.
- b. Confirmed.
- c. The Postal Service is filing a revised Library Reference USPS-LR-R2017-1/2 today. The Postal Service equalized the breakpoint prices identified above by adjusting the pound rates. After reviewing the misaligned breakpoint prices identified by the Commission, the Postal Service also discovered seven other misaligned breakpoint prices in the Nonautomation Flats section. These breakpoint prices were also corrected by adjusting the pound rates. Additionally, each time a nonprofit pound price was adjusted, a similar adjustment was made to the commercial pound price. This was done to

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ensure that commercial and nonprofit workshare discounts remained equal.

Conforming corrections to the Postal Service's Notice of Market Dominant Price Adjustment, to Attachment A, and to Attachment B will be filed on Monday, November 7, 2016.

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2. Please refer to Library Reference USPS-LR-R2017-1/2, Excel File: "CAPCALC-STD-R2017-1 rev 10-28.xlsx," tabs: "HD-Sat-CR New Prices."
- a. Please confirm the breakpoint prices (per-piece price + (per-pound price / 16 ounces * 4 ounces)) for the following nonprofit High Density/Saturation Flats and Every Door Direct Mail pound-rated pieces:
 - i. High Density DSCF Dropship: \$0.114;
 - ii. High Density Plus DSCF Dropship: \$0.093;
 - iii. Saturation DSCF Dropship: \$0.083;
 - iv. Every Door Direct Mail-NP DSCF Dropship: \$0.084.
 - b. If subpart a is confirmed, please also confirm that each of these breakpoint prices is \$0.001 more than its respective per-piece price. If not confirmed, please provide a comparison of the listed breakpoint prices and per-piece prices.
 - c. If subpart b is confirmed, please revise USPS-LR-R2017-1/2 to ensure breakpoint prices equal their respective per-piece prices.

RESPONSE:

- a. Confirmed.
- b. Confirmed.
- c. See response to Question 1(c) above.